

SENATE BILL NO. 299

BY SENATORS DUPLESSIS AND MICHOT AND REPRESENTATIVE ROSALIND JONES

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

1 AN ACT

2 To enact Chapter 3-D of Title 3 of the Louisiana Revised Statutes of 1950, to be comprised
3 of R.S. 3:296, relative to the Healthy Food Retail Act; to provide for a financing
4 program to stimulate investment in healthy food retail outlets in underserved areas
5 of Louisiana; to provide for administration of the program; to provide for eligible
6 projects and uses for funding; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. Chapter 3-D of Title 3 of the Louisiana Revised Statutes of 1950,
9 comprised of R.S. 3:296, is hereby enacted to read as follows:

10 **CHAPTER 3-D. HEALTHY FOOD RETAIL ACT**

11 **§296. Healthy Food Retail Act; definitions; purpose**

12 **A. This Chapter shall be known as the "Healthy Food Retail Act."**

13 **B. The legislature finds the following:**

14 **(1) When fresh fruits and vegetables and other healthy foods are not**
15 **easily available or affordable, people, particularly low-income families,**
16 **children, and the elderly, face serious barriers to eating a healthy diet.**
17 **Research in Louisiana and nationally shows that residents of low-income,**
18 **minority, and rural communities are most often affected by poor access to**
19 **supermarkets and other retailers selling healthy food, as well as by high rates**
20 **of obesity.**

21 **(2) Obesity, which results from poor diet and physical inactivity, is the**
22 **fastest growing cause of disease and death in America. Louisiana has one of the**
23 **highest rates of obesity nationwide, putting growing numbers of Louisiana**
24 **adults and children at risk for developing heart disease, type-2 diabetes,**
25 **hypertension, certain cancers, and other health problems.**

26 **(3) Increasing access to retail food outlets that sell fresh fruits,**

1 vegetables, and other healthy food is an important strategy for fighting the
2 obesity epidemic and improving health. Studies have shown that people with
3 better access to supermarkets and fresh produce tend to have healthier diets
4 and lower levels of obesity.

5 (4) Developing quality retail food outlets also creates jobs, expands
6 markets for Louisiana farmers, and supports economic vitality in underserved
7 communities.

8 (5) The program established pursuant to this Chapter is intended to
9 provide a dedicated source of financing for healthy food retailers operating in
10 underserved communities in Louisiana, in both urban and rural areas; to
11 increase access to affordable healthy food so as to improve diets and health; to
12 promote the sale and consumption of fresh fruits and vegetables, particularly
13 those that are Louisiana grown; and to support expanded economic
14 opportunities in low-income and rural communities.

15 C. As used in this Chapter, the following terms and phrases shall have
16 the meanings hereinafter ascribed to them:

17 (1) "Funding" means grants, loans, or a combination of grants and loans.

18 (2) "Healthy food retailers" means for-profit or not-for-profit retailers
19 that sell high quality fresh fruits and vegetables at competitive prices including
20 but not limited to supermarkets, grocery stores, and farmers' markets.

21 (3) "Program" means a public-private partnership established to
22 provide a dedicated source of financing for food retailers that increase access
23 to fresh fruits and vegetables and other affordable healthy food for Louisiana
24 residents managed by the Louisiana Department of Agriculture and Forestry.

25 (4) "Underserved community" means a geographic area that has limited
26 access to healthy food retailers and is located in a lower-income or high-poverty
27 area, or an area that is otherwise determined to have serious healthy food access
28 limitations.

29 D. (1) To the extent funds are available, the Louisiana Department of
30 Agriculture and Forestry, in cooperation with public and private sector

1 partners, shall establish a financing program that provides grants and loans to
2 healthy food retailers that increase access to fresh fruits and vegetables and
3 other affordable healthy food in underserved communities.

4 (2) The department may contract with one or more qualified nonprofit
5 organizations or community development financial institutions to administer
6 the program described in this Section through a public-private partnership, to
7 raise matching funds, market the program statewide, evaluate applicants, make
8 award decisions, underwrite loans, and monitor compliance and impact. The
9 department and its partners shall coordinate with complementary nutrition
10 assistance and education programs.

11 (3) The program shall provide funding on a competitive, one-time basis
12 as appropriate for the eligible project.

13 (4)(a) The program may provide funding for projects such as:

14 (i) New construction of supermarkets and grocery stores.

15 (ii) Store renovations, expansion, and infrastructure upgrades that
16 improve the availability and quality of fresh produce.

17 (iii) Farmers' markets and public markets, food cooperatives, mobile
18 markets and delivery projects, and distribution projects that enable food
19 retailers in underserved communities to regularly obtain fresh produce.

20 (iv) Other projects that create or improve healthy food retail outlets that
21 meet the intent of this Chapter as determined by the department.

22 (b) Funding made available for projects included in Subparagraph (a)
23 of this Paragraph may be used for the following purposes:

24 (i) Site acquisition and preparation.

25 (ii) Construction costs.

26 (iii) Equipment and furnishings.

27 (iv) Workforce training.

28 (v) Security.

29 (vi) Certain pre-development costs such as market studies and
30 appraisals.

1 (vii) Working capital for first-time inventory and start-up costs.

2 (c) A restaurant is not eligible for funding under this Chapter.

3 (5) An applicant for funding may be a for-profit or a not-for-profit
4 entity, including but not limited to a sole proprietorship, partnership, limited
5 liability company, corporation, cooperative, nonprofit organization, nonprofit
6 community development entity, university, or governmental entity.

7 (6) In order to be considered for funding, an applicant shall meet the
8 following criteria:

9 (a) The project for which the applicant seeks funding shall benefit an
10 underserved community.

11 (b) The applicant shall demonstrate a meaningful commitment to sell
12 fresh fruits and vegetables, according to a measurable standard established by
13 the department.

14 (c) Generally, the applicant shall accept Food Stamps (Supplemental
15 Nutrition Assistance Program) and WIC (Special Supplemental Nutrition
16 Program for Women, Infants and Children) benefits. For categories of
17 applicants that are not eligible to accept Food Stamps or WIC benefits, an
18 alternative standard shall be established by the department to demonstrate a
19 meaningful commitment to make healthy food affordable to low-income
20 households.

21 (7) Applicants shall be evaluated on the following criteria in order to
22 determine the funding awarded:

23 (a) Demonstrated capacity to successfully implement the project,
24 including the applicant's relevant experience, and the likelihood that the project
25 will be economically self-sustaining.

26 (b) The ability of the applicant to repay debt.

27 (c) The degree to which the project requires an investment of public
28 funding to move forward, create impact, or be competitive, and the level of need
29 in the area to be served. Additional factors that will improve or preserve retail
30 access for low-income residents, such as proximity to public transit lines, also

1 may be taken into account.

2 (d) The degree to which the project will promote sales of fresh produce,
 3 particularly Louisiana-grown fruits and vegetables.

4 (e) The degree to which the project will have a positive economic impact
 5 on the underserved community, including by creating or retaining jobs for local
 6 residents.

7 (f) Other criteria the department determines to be consistent with the
 8 purposes of this Section.

9 (8) The department shall establish program benchmarks and reporting
 10 processes to make certain that the program benefits both rural and urban
 11 communities in Louisiana. The department shall likewise establish monitoring
 12 and accountability mechanisms for projects receiving grants or loans, such as
 13 tracking fruit and vegetable sales data.

14 (9) The department shall prepare and submit an annual report to the
 15 legislature on any projects funded and outcome data.

16 (10) The department shall establish rules for the implementation of the
 17 Chapter in accordance with the Administrative Procedure Act.

18 E. Funds described in this Chapter, to the extent practicable, may be
 19 used to leverage other funding including but not limited to New Markets Tax
 20 Credits, federal and foundation grant programs, incentives available to
 21 designated Enterprise Zones or Renewal Communities, operator equity, and
 22 funding from private sector financial institutions under the federal Community
 23 Reinvestment Act.

 PRESIDENT OF THE SENATE

 SPEAKER OF THE HOUSE OF REPRESENTATIVES

 GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____